

Creditors are maximizing fees now -- before new credit card rules take effect in 2010.

Keith Andrews has been a Capital One customer for years.

He thinks his 9.9% interest rate is fair.

Then, Capital One changed the rules.

"They said there was no problem with the payments or anything but they were raising the rate to 17.9%," Andrews said.

The notice said rate increase go into effect for purchases made after April 17th.

But Capital One isn't the only credit card company with its hand in our wallets.

Expect other credit card companies to follow suit.

"They 're trying to make the money while they can," said Lisa Cameron of Credit Advisors. Limits on credit card interest rates go into effect in July of 2010.

"They have a window right now, Cameron said. "They have a year and a half where they can

pretty much play by the rules that are in state right now they can play them and use those rules to their advantage."

Sky high rates could severely impact customers struggling to make monthly minimum payments.

"I really think so and it's going to be even more difficult for people who are maybe lower to middle income or who are on a set monthly income," Cameron said.

Sara Schlueter knows what may lie ahead for many card users.

"A lot of people are finding it hard to make ends meet and so when credit card companies are hurting as well and they decide to jack the rates up, it's just hurting us even more," she said.

Credit card debt forced Schleuter into filing for bankruptcy.

She believes credit card companies may hurt themselves by raising rates.

"They're kind of shooting themselves in the foot because people like me decide bankruptcy is the only way to go and they they're getting pennies on the dollar from what we really owe them," she said.

Keith Andrews says fewer wallets will hold Capitol One cards.

"Evidently they'd rather lose customers rather than negotiate anything lower," he said.

Unfortunately, there's very little consumers can do to fight back.

The best advice is to pay off balances and stop using credit cards as much as possible.

Customers should also read all statements carefully while checking interest rates.

Credit card interest rates have become a topic of discussion in both the Senate and House of Representatives.

In a statement to Channel 6 News, Lee Terry (R-Nebraska) said, "Some companies have been very aggressive in their tactics. The House Financial Services Committee is contemplating hearings as to whether the federal regulations are tough enough and if they should go into affect sooner."

In December 2008 the Federal Reserve issued final regulations regarding unfair and deceptive credit card practices that will go into effect July 1, 2010.

The regulations would...

--- Ban banks from raising interest rates on existing balances unless payment is more than a month late.

--- Prohibit a practice known as double-cycle billing in which a bank assesses interest on the entire amount charged during on month unless the bill was paid in full.

--- Would end "universal default" in which customers are charged a higher interest rate if they miss a payment on another card or if their credit score has dropped.



